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104TH CONGRESS
2D SESSION

H. R. 3151

To require the Secretary of Defense and the Secretary of Health and Human Services to carry out a demonstration project to provide the Department of Defense with reimbursement from the Medicare program for health care services provided to Medicare-eligible beneficiaries under TRICARE.

IN THE HOUSE OF REPRESENTATIVES

MARCH 21, 1996

Mr. WATTS of Oklahoma introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Commerce, and National Security, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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A BILL

To require the Secretary of Defense and the Secretary of Health and Human Services to carry out a demonstration project to provide the Department of Defense with reimbursement from the Medicare program for health care services provided to Medicare-eligible beneficiaries under TRICARE.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Medicare Subvention Fairness Act".

1 **SEC. 2. DEMONSTRATION PROJECT FOR MEDICARE REIM-**
2 **BURSEMENT OF DEPARTMENT OF DEFENSE**
3 **FOR HEALTH CARE PROVIDED TO MEDICARE-**
4 **ELIGIBLE BENEFICIARIES UNDER TRICARE.**

5 (a) IN GENERAL.—Notwithstanding any other provi-
6 sion of law and subject to subsection (b), the Secretary
7 of Defense and the Secretary of Health and Human Serv-
8 ices shall enter into an agreement in order to carry out
9 a demonstration project under which the Secretary of
10 Health and Human Services reimburses the Secretary of
11 Defense, on a capitated basis, from the medicare program
12 under title XVIII of the Social Security Act (42 U.S.C.
13 1395 et seq.) for certain health care services provided by
14 the Secretary of Defense to medicare-eligible military
15 beneficiaries through the TRICARE program.

16 (b) PROJECT REQUIREMENTS.—(1)(A) The Sec-
17 retary of Defense shall budget for and expend on health
18 care services in each region in which the demonstration
19 project is carried out an amount equal to the amount that
20 the Secretary would otherwise budget for and expend on
21 such services in the absence of the project.

22 (B) The Secretary may not be reimbursed under the
23 project for health care services provided to medicare-eligi-
24 ble military beneficiaries in a region until the amount ex-
25 pended by the Secretary to provide health care services

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in that region exceeds the amount budgeted for health care services in that region under subparagraph (A).

(2) The agreement between the Secretary of Defense and the Secretary of Health and Human Services shall provide that the cost to the medicare program of providing services under the project does not exceed the cost that the medicare program would otherwise incur in providing such services in the absence of the project.

(3) The authority of the Secretary of Defense to carry out the project shall expire 3 years after the date of the commencement of the project.

(c) REPORTS.—Not later than 14 months after the commencement of the demonstration project under subsection (a), and annually thereafter until the year following the year in which the project is terminated, the Secretary of Defense and the Secretary of Health and Human Services shall jointly submit to Congress a report on the demonstration project. The report shall include the following:

(1) The number of medicare-eligible military beneficiaries provided health care services under the project during the previous year.

(2) An assessment of the benefits to such beneficiaries of receiving health care services under the project.

1 (3) A description of the cost-shifting, if any,
2 among medical care programs of the Department of
3 Defense that results from the project.
4 (4) A description of the cost shifting, if any,
5 from the Department to the medicare program that
6 results from the project.
7 (5) An analysis of the effect of the project on
8 the following:
9 (A) Access to the military medical treat-
10 ment system, including access to military medi-
11 cal treatment facilities.
12 (B) The availability of space and facilities
13 and the capabilities of medical staff to provide
14 fee-for-service medical care.
15 (C) Established priorities for treatment of
16 beneficiaries under chapter 55 of title 10, Unit-
17 ed States Code.
18 (D) The cost to the Department of provid-
19 ing prescription drugs to the beneficiaries de-
20 scribed in subparagraph (C).
21 (E) The quality of health care provided by
22 the Department.
23 (F) Health care providers and medicare-el-
24 igible military beneficiaries in the communities
25 in which the project is carried out.

1 (6) An assessment of the effects of continuing
2 the project on the overall budget of the Department
3 for health care and on the budget of each military
4 medical treatment facility.
5 (7) An assessment of the effects of continuing
6 the project on expenditures from the medicare trust
7 funds under title XVIII of the Social Security Act.
8 (8) An analysis of the lessons learned by the
9 Department as a result of the project.
10 (9) Any other information that the Secretary of
11 Defense and the Secretary of Health and Human
12 Services jointly consider appropriate.
13 (d) REVIEW BY COMPTROLLER GENERAL.—Not later
14 than December 31 each year in which the demonstration
15 project is carried out under this section, the Comptroller
16 General shall determine and submit to Congress a report
17 on the extent, if any, to which the costs of the Secretary
18 of Defense under the TRICARE program and the costs
19 of the Secretary of Health and Human Services under the
20 medicare program have increased as a result of the
21 project.
22 (e) DEFINITIONS.—For purposes of this section:
23 (1) The term "medicare-eligible military bene-
24 ficiary" means a beneficiary under chapter 55 of
25 title 10, United States Code, who is entitled to bene-

1 fits under part A of title XVIII of the Social Secu-
2 rity Act.
3 (2) The term "TRICARE program" means the
4 managed health care program that is established by
5 the Secretary of Defense under the authority of
6 chapter 55 of title 10, United States Code, prin-
7 cipally section 1097 of that title, and includes the
8 competitive selection of contractors to financially un-
9 derwrite the delivery of health care services under
10 the Civilian Health and Medical Program of the
11 Uniformed Services.

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